

DATE 27 Jan. 89

WASHINGTON POST

NEW YORK TIMES AS

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USA TODAY

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U.S.-PANAMA TIES FACE 3 KEY TESTS

Vote, End of Delvalle's Term
and Canal Treaty Clause
May Force U.S. Hand

By LINDSEY GRUSON
Special to The New York Times

PANAMA, Jan. 21 — The Bush Administration will soon face three critical tests in the political and economic campaign to oust the Noriega Government, Panamanian political leaders and foreign diplomats say.

The diplomats and Panamanians say Gen. Manuel Antonio Noriega is too unpopular and isolated to sweep away the American-backed opposition to his leadership. But at the same time, they say, the opposition is too disorganized and demoralized to drive him from power immediately.

As a result, a presidential election scheduled for May 7 is seen as a watershed. Washington will be forced to judge whether the election is free and fair and decide whether to recognize the winner.

Opposition leaders say General Noriega, whose own primacy will not be affected by the vote, is expected to promote the election as proof of Panamanian democracy while working behind the scenes to fix the result. There is no indication yet who he will put forward as his candidate.

Delvalle and the Canal

Almost none of his critics expect an honest election. So, they say, the crisis is likely to drag on until the second critical test: the September expiration of the term of Eric Arturo Delvalle, who was ousted as President by General Noriega last year but is still recognized by Washington as the head of Panama's Government.

American diplomats say there is no way to interpret the Panamanian Constitution to allow continued recognition of Mr. Delvalle after September. As a result, they say, American relations with Panama may be left in limbo.

The third test may well be the trickiest for Washington. By next Jan. 1, to avoid breaching the Panama Canal treaties, the United States Senate must confirm a Panamanian nominated by Panama as the administrator of the Panama Canal Commission.

"I sincerely doubt you could get a Noriega nominee through the Senate," an American diplomat said. "But if we don't, then we're not in compliance with the treaty."

A Year of Confrontation

The standoff between the United States and Panama began 10 months ago when Washington imposed a variety of economic sanctions in an attempt to oust the general, who had been indicted in Florida on Federal drug trafficking charges. But the turmoil here began several months earlier, when General Noriega's cashiered deputy, Col. Roberto Diaz Herrera, accused him of assassinating political rivals and rigging elections.

The charges led to waves of street protests and general strikes. They were quelled only through an increasingly harsh crackdown that included the suspension of many civil liberties and the closure of all opposition news organizations.

It is widely agreed that General Noriega won the confrontation but lost the propaganda war. In a recent poll in Panama, almost two-thirds of the respondents blamed the general for the crisis. Less than one in 10 faulted the United States or the opposition. In response to another question, 8 of 10 agreed that General Noriega should step down.

General Noriega has said he is convinced that his Government is popular enough to win the election. And Rafael Mezquita, administrative director for the Department of Finance, said he thought the Government would do everything needed to guarantee an honest election.

Rigging Has Begun, Critics Say

But opposition leaders and Western diplomats charge, without providing evidence, that the Noriega Government already has started to alter voter lists and has stacked the election tribunal to guarantee a victory.

"Noriega will have to cheat on an unprecedented scale to win," an opposition leader said.

In the last month, American diplomats and the opposition parties have drawn up a tentative standard for free and fair elections. It includes the reopening of all opposition newspapers and broadcast outlets, the reinstitution of the right of assembly and other civil liberties, the return of all opponents forced into exile and the formation of a group of international observers to inspect every part of the election.

Opposition leaders add that these steps must be taken in the next couple of weeks. Owners of opposition newspapers, which have been closed for almost a year, say it will take time to crank up the presses.

They note that some papers may not reopen even if permitted. "It'll cost hundreds of thousands of dollars, and for what?" asked one senior editor of a closed newspaper. "Just to be shut down again one day after the election observers go home."